



Request for City Council Committee Action From the Department of Public Works

Date: September 16th, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee

Subject: **Guthrie District Parking Facility Appropriation**

Recommendation: Implement the terms of the design/build agreement between the Guthrie Theater Foundation and the City of Minneapolis. Approval of this action will require the following resolutions:

- 1) Request expenditure and revenue budget appropriation increases for the Guthrie Theater Parking Capital Project A6294010 in Fund 7500-943-9464 by \$30,486,704 for a total of \$33,650,000 to be reimbursed by bond proceeds and increase the revenue budget in Fund 7500-943-9464-3910 by \$30,486,704 to a new total of \$33,650,000.
- 2) Request Board of Estimate and Taxation to issue \$33,650,000 million of 501(c)(3) bonds.
- 3) Declare the City's intent to reimburse expenditures incurred with proceeds from tax-exempt bonds.

Previous Directives:

- February 2, 2001– The City Council and MCDA Board authorized execution of a letter of intent between the City, MCDA and Guthrie Theater and approved a package of pre-implementation activities.
- March 23, 2001 – The City Council and MCDA board approved various actions related to an archaeological study on the Guthrie site
- May 18, 2001 – The City Council and MCDA Board authorized the execution of a redevelopment agreement with the Guthrie Theater Foundation
- May 3, 2001 – The City Council designated the area in which the Guthrie project is located as a “targeted neighborhood” in which Port Authority bonding powers may be used.
- November 21, 2002 – The City Council authorized execution of amendment #1 to the redevelopment agreement, execution of a parking ramp design/build agreement and reciprocal easement and operations agreement, execution of a purchase agreement and related documents with Hennepin County Regional Rail Authority, authorizing the sale of an air rights parcel to the Guthrie, and increasing the appropriation on the Public Works Transportation Capital Agency in the Municipal Parking Fund to cover land acquisition and initial design costs.
- On July 25, 2003, the City Council gave preliminary approval to issue 501(c)(3) bonds for the theater project.

Prepared by: Michael W. Sachi, Parking & Skyway Systems Engineer 673- 2159

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Michael W. Sachi, P.E., Parking & Skyway Systems Engineer

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☒ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☒ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☒ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

In August of 2003, The City of Minneapolis, CPED (formerly MCDA) and Guthrie Theater Foundation executed the design/build agreement for the construction of an approximately 1,000 stall parking facility which was approved by City Council in November of 2002. As part of the amended redevelopment agreement (also approved in November of 2002), the City of Minneapolis agreed to build and operate 1,000 public parking spaces to serve the Guthrie and other area users. The City also agreed to construct a new segment of Ninth Avenue between Washington and Second Street South to serve the project. The execution of this agreement triggers design and construction activities to commence for this project, and also required the City to begin reimbursing the Guthrie Theater Foundation for project expenses. The 1,000 space parking ramp will be designed and constructed by the Guthrie for a fixed price. The City will design and build the segment of Ninth Avenue with its own forces. Previous Council Actions have established appropriations for this project for the land acquisition and initial design activities totaling \$3,163,296 to date. This report requests the balance of the total project expenses be now be appropriated.

The estimated net revenue from the parking facility is projected to be sufficient to support all costs related to the parking, including all land acquisition, design and construction of the parking related improvements, and the construction of Ninth Avenue. The 1,000 public parking spaces will be used by Guthrie patrons, monthly employee parkers from nearby businesses and downtown, Metrodome event visitors and short-term parkers visiting residences and businesses in the area.

The bonds sold for this project are 501(c)(3) tax-exempt bonds which will be paid off in 2028. Note: The approval of an additional sale of up to \$85 million of 501(c)(3) bonds for the Guthrie Theater project is also being submitted during this Council cycle under a separate report to the Community Development Committee. The estimated maximum bond sale amount will be approximately \$33,650,000, with a breakdown of costs as follows:

Ramp Construction & Streetscape:	\$24,670,000
City Parking Ramp Consultant:	\$ 200,000
Land Acquisition:	\$ 2,588,296
9 th Ave S Construction:	\$ 435,000
GeoTechnical 7 Contingency	\$ 350,000
General Fund Overhead:	\$ 988,515
Capitalized Interest:	\$ 4,035,039
Underwriters Discount:	\$ 336,500
Costs of Issuance:	\$ 46,650
TOTAL BOND AMOUNT:	\$33,650,000